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FISCAL IMPACT REPORT

SPONSOR: A. Lujan DATE TYPED: 3/05/03 HB 213/aH AFC

SHORT TITLE: New Mexico-Chihuahua Commission Act SB

ANALYST: Collard

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			See Narrative		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB 183

SOURCES OF INFORMATION

Responses Received From
 Economic Development Department
 New Mexico Border Authority
 Tourism Department

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee deletes the appropriation from House Bill 213. An appropriation of recurring general fund of \$100.0, beginning in FY04, is included the committee substitute for Senate Bill 655 for this purpose. The Economic Development Department understands the appropriation in this bill is no longer necessary.

Synopsis of Original Bill

House Bill 213 appropriates \$100.0 from the general fund to the Economic Development Department for the purpose of creating a New Mexico-Chihuahua Commission to promote bi-national economic development.

Significant Issues

House Bill 213 allows the Governor, the Secretary of Economic Development and the Secretary of Tourism to serve on the commission, along with up to 10 state officials, appointed by the Governor for two-year terms.

The bill also allows the Governor to implement projects or agreements negotiated with the state of Chihuahua, provided that those with appropriations shall require an act of the legislature. The New Mexico Border Authority notes this bill is a venue for furthering border trade, infrastructure, and regulatory modification.

FISCAL IMPLICATIONS

The appropriation of \$100.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY04 shall revert to the general fund.

The Economic Development Department notes the activities of the commission may require the department to expend funds for travel and marketing, estimated at \$25.0 for FY03 and \$50.0 for FY04. As marketing is already part of the department's function, the costs are within the job creation and job growth program budget. However, the extra travel is not covered.

The New Mexico Border Authority indicates the need for an additional staff member at a cost of \$58.5.

ADMINISTRATIVE IMPLICATIONS

New Mexico Border Authority indicates the commission will increase the workload to the department and an additional staff member will be needed, as indicated in the governor's initiative for border development.

The Economic Development Department notes the bill requires the commission to be administratively attached to the department. Thus, all administrative activities such as the commission budget and travel authorization will be coordinated by the Economic Development Department.

DUPLICATION

House Bill 213 duplicates Senate Bill 183.

OTHER SUBSTANTIVE ISSUES

The Economic Development Department indicates this bill is vital in allowing the Governor to fulfill his commitment to New Mexico and to the Governor of Chihuahua to work together on projects to improve trade between New Mexico and Chihuahua and to market the New Mexico-Chihuahua region abroad.

The Economic Development Department and the New Mexico Border Authority recommend an amendment to the bill to rename the commission the "New Mexico-Chihuahua Economic Development Commission" to underscore its purpose. Further, the New Mexico Border Authority

recommends the executive director of the New Mexico Border Authority be included in the commission membership, to conflict with current border programs.

KBC/njw:pr:yr